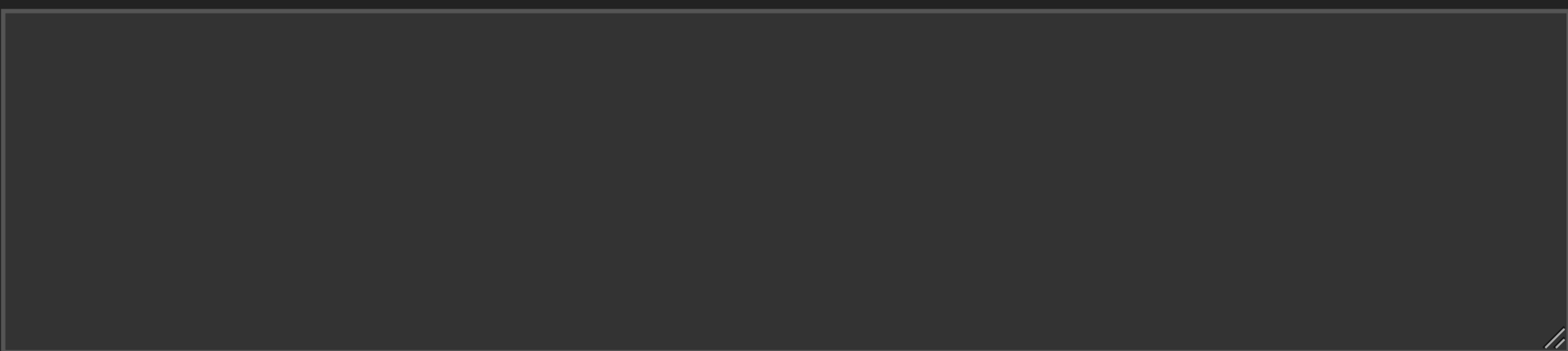


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S&P 500 Plunges 7%, Triggering Market-Wide Stock Trading Halt (bloomberg.com)

59 points by zzeder 12 minutes ago | hide | past | web | favorite | 30 comments



add comment

▲

bilekas 5 minutes ago [-]

Genuine question: They can just do that ? Issue a trading halt because they don't like the direction it's going ?

> "There's a reason why they have those circuit breakers -- it's to give people time to come back from panicked feelings,"

Seems strange that the market is kinda able to be manipulated like that. I'm not saying this is a bad move, just surprised that someone can do it.

reply

▲

_se 3 minutes ago [-]

"They" don't do anything - this is called a circuit breaker, and is automatically triggered. There are three breakers:

L1 - 7% down before 3:25pm - 15 minute halt

L2 - 13% down before 3:25pm - 15 minute halt

L3 - 20% down - halted for the remainder of the day

Only a single L1 or L2 breaker can occur in a single day.

FYI this is the kind of thing you have to know to become registered as a securities representative.

reply

▲

jagged-chisel 1 minute ago [-]

> Only a single L1 or L2 breaker can occur in a single day.

I don't follow. You'd hit 7% before 13%, so how would L2 ever execute?

reply

▲

_se 0 minutes ago [-]

Sorry - I meant that neither L1 nor L2 can trigger twice in a day, E.g. down 8%, up 2%, down 9% does not trigger a second L1 breaker.

▲

rogerkirkness 0 minutes ago [-]

This means each execute once, not mutually exclusive.

▲

bilekas 2 minutes ago [-]

Okay thats fine, but who implements/decides these circuit breakers ? And what purpose to they serve only to limit a mass sell off ?

Nice point about only 2 daily. But still seems crazy.

reply

▲

allovernow 0 minutes ago [-]

AFAIK people can still trade in private, just not on the NYSE.

So don't worry, it's only us regular guys that get screwed. Big firms can still contact each other to make deals.

▲

totaldude87 0 minutes ago [-]

<https://www.nasdaq.com/articles/market-wide-circuit-breakers...>

▲

isoskeles 1 minute ago [-]

> Only a single L1 or L2 breaker can occur in a single day.

Then why does L2 exist? It seems redundant, L1 would get triggered before L2, and only one can occur in a single day, so why have L2 at all? What am I missing here?

reply

▲

totally 2 minutes ago [-]

Would they also circuit break on 7% increase, in order to give people time to come back from positive feelings?

reply

▲

eej71 0 minutes ago [-]

These are well documented rules. They have been built up over years of experience. Not to say its perfect. But they are established and understood by the participants. Further refinements may happen based on today's experience.

reply

▲

A4ET8a8uTh0 1 minute ago [-]

Without going into too much detail, short answer is yes. Most people don't seem to know how far away current setup is from 'free market' touted in school.

It is weird given that this information is not hidden. It is just not widely spread.

reply

▲

eej71 0 minutes ago [-]

These rules are completely in keeping with the free market.

reply

▲

Isamu 0 minutes ago [-]

Also because of algorithmic trading. You don't want to get into an accelerated get-out-now spiral.

reply

▲

darawk 3 minutes ago [-]

I believe it's true for the other direction as well, it's just pretty rare to see a 7% upward move in a single day. I mean, it's rare to see it on the downside too, but not as rare.

Limit up/down rules are not discretionary. They're circuit breakers that fire deterministically.

reply

▲

_se 1 minute ago [-]

It's important to note that limit up/limit down (LULD) is not the same thing as the circuit breakers. They have a very specific meaning and operate independently (with much more complicated rules as well). You probably know this, but others reading your comment will probably not!

reply

▲

daenz 3 minutes ago [-]

Consider the alternative.

reply

▲

oh_sigh 4 minutes ago [-]

Yes

reply

▲

walrus01 2 minutes ago [-]

Serious question, is anyone watching this carefully and trying to determine when things will bottom out (perhaps in a week or two), to buy stocks, ETFs, and such at the bottom of the dip?

Hindsight is 20:20 of course, but there's a number of equities that one could have purchased shortly after the 2008 financial crisis that proceeded to make significant gains between 2009 and 2019.

reply

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allovernow 2 minutes ago [-]

No one will be able to time this. We don't even know if this is the start of a [global?] recession or depression.

reply

▲

raesene9 1 minute ago [-]

I'm sure huge numbers of people are watching for exactly that opportunity, but if it was easy to reliably spot the tops and bottoms of markets, there'd be a lot more rich day-traders out there :)

reply

▲

totaldude87 4 minutes ago [-]

To be honest , the market was in dire need for correction, BUT wonder where we will be when companies starts reporting their quarterly results and impact of that.

So far this looked more like a correction than a precursor to the recession. To make things worse, OPEC dropped bombs which spread the wildfire further..

reply

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76543210 9 minutes ago [-]

It did the trick. Everyone is talking about it and my friends are buying.

reply

▲

newfangle 5 minutes ago [-]

I dont think its time to buy yet. If we have a multiple month disaster that requires quarantining most of the population the market will fall further.

reply

▲

frostyj 4 minutes ago [-]

could be a bull trap

reply

▲

frgtspsswrldame 5 minutes ago [-]

Currently only 6% down, perhaps (anecdotal) evidence that halts work?

reply

▲

endorphone 2 minutes ago [-]

Days with a large pre-market drops often follow this pattern. As the end of the day approaches the selling often becomes panicked again.

reply

▲

m0zg 5 minutes ago [-]

I've been dollar cost average buying for a few days now. Not too much, a few tens of thousands of dollars a day. Please carry on with the panic, everyone.

reply

▲

FreedomToCreate 2 minutes ago [-]

For context, you are being downvoted for being smug and not adding anything to this conversation.

reply

▲

qqssccftt 0 minutes ago [-]

That's literally all of this website

reply